

Message Text

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PAGE 01 GENEVA 06641 311429Z

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ACTION COME-00

INFO OCT-01 ARA-06 IO-04 ISO-00 OIC-02 EB-04 AF-04 EA-06

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E.O. 11652: N/A

TAGS: OCON AORG WTO

SUBJECT: CONSULTATION WITH WTO SECRETARY GENERAL RE FIRST ASSEMBLY

REF: GENEVA 6594

PASS DAVID PARKER, DEP ASST SEC COMMERCE (USTS)

1. SUMMARY. AS INDICATED PARA 4, REFTEL, MISSION OFFICER CALL ON WTO SYG LONATI ON OCTOBER 30 AND IN TWO-HOUR INTERVIEW CONVEYED US VIEWS RE STEPS TO BE TAKEN BY STG AS WTO STATUTES COME INTO FORCE ON NOVEMBER 1. FOLLOWING IS SUMMARY OF TOPICS COVERED, WITH CONCLUSIONS ON EACH:

2. TIMING OF ASSEMBLY: MISSION OFFICER RECOMMENDED, AS AGREED AT CONSULTATION REPORTED REFTEL, THAT SYG CALL FIRST SESSION OF FIRST WTO ASSEMBLY AS SOON AS POSSIBLE WITH TARGET OF EARLY MAR 1975 WITH SECOND SESSION TO BE SCHEDULED FOR SEPT OR OCTOBER AND IN ANY EVENT TO BE COMPLETED BY OCT 31, 1975. LONATI APPEARED TO ACCEPT RECOMMENDATION WITHOUT RESERVATION.

3. ASSEMBLY AGENDA: (A) MISSION OFFICER RECOMMENDED THAT
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PAGE 02 GENEVA 06641 311429Z

FOLLOWING POINTS BE INCLUDED IN AGENDA OF FIRST

SESSION: (1) ADOPTION OF AGENDA AND ASSEMBLY'S RULES OF PROCEDURE; (2) ELECTION OF ASSEMBLY OFFICERS ; (3) APPROVAL OF LUSAKA SCALE OF ASSESSMENT FOR MEMBERS; (4) NON-INCLUSION OF TC FUNDS IN REGULAR BUDGET OF WTO; (5) APPOINTMENT OF AD HOC COMMITTEE (WITH PROPER GEOGRAPHIC DISTRIBUTION IN ITS MEMBERSHIP) TO HELP SYG DRAW UP FIRST WTO WORK PROGRAM AND BUDGET FOR 1976-77 WITH GUIDELINES TO INCLUDE ACCEPTANCE OF LUSAKA ASSESSMENT FORMULA AND NON-INCLUSION OF TECHNICAL COOPERATION FUNDS IN BUDGET ; (6) POSSIBLY ADOPTION OF WTO'S FINANCIAL REGULATIONS.

(B) MISSION OFFICER RECOMMENDED THAT FOLLOWING ITEMS BE INCLUDED ON AGENDA OF SECOND SESSION: (1) WORK PROGRAM AND BUDGET FOR 1976-77; (2) ELECTION OF EXECUTIVE COUNCIL (FOR FOUR YEAR TERMS); (3) SELECTION OF PERMANENT SITE FOR WTO HEADQUARTERS; (4) APPOINTMENT OF SECRETARY GENERAL; (5) UNFINISHED BUSINESS FROM FIRST SESSION; (6) OTHER BUSINESS.

(C) SYG LONATI WAS FULLY AMENABLE TO ABOVE AGENDA. HE SAID THAT TWO ITEMS, HOWEVER, WOULD HAVE TO BE ADDED TO SECOND SESSION AGENDA ON (1) "LIQUIDATION OF ASSETS, LIABILITIES OF IUOTO" AND (2) ADOPTION OF WTO STAFF REGULATIONS. HE EXPLAINED THAT IUOTO'S FINAL ASSEMBLY (SEPTEMBER 1975) WOULD HAVE TO VOTE TRANSFER OF IUOTO'S ASSETS AND LIABILITIES TO WTO AND LATTER'S FIRST ASSEMBLY WOULD HAVE TO VOTE ON QUESTION OF ACCEPTING OR OTHERWISE DISPOSING OF THEM. HE EXPLAINED, FURTHER, THAT NEW WTO STAFF REGULATIONS WOULD HAVE TO BE APPROVED TO COMPLETE LIQUIDATION OF IUOTO AND NOTED THAT SOME OF PRESENT IUOTO STAFF--CURRENTLY EMPLOYED UNDER SWISS CORPORATE LAW-- WOULD NOT BE WILLING TO ACCEPT OBLIGATION OF WTO STAFF MEMBERS TO FOLLOW WTO IF ITS HEADQUARTERS SITE WERE TO BE TRANSFERRED TO ANOTHER CITY THAN GENEVA.

4. CREDENTIALS FOR FIRST ASSEMBLY: LONATI NOTED, IN CONNECTION WITH NEED FOR CREDENTIALS AND HENCE CREDENTIALS COMMITTEE FOR FIRST ASSEMBLY, THAT ISSUE OF REPUBLIC OF CHINA (FORMOSA) MEMBERSHIP COULD BE EXPLOSIVE, CONSUMING PRECIOUS TIME OF ASSEMBLY WHICH WILL HAVE TO COMPLETE ITS HEAVY AGENDA IN VERY LIMITED TIME. HE SAID THAT ONLY CONCERTED PRE-ASSEMBLY DIPLOMATIC CONSULTATION WOULD ENABLE ASSEMBLY TO AVOID LONG DEBATE ON CHINA REPRESENTATION. HE SAID THAT AS FORMOSAN CHINESE HAVE DEPOSITED THEIR FORMAL RATIFICATION OF WTO STATUTES HE IS AUTOMATICALLY LIMITED OFFICIAL USE

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PAGE 03 GENEVA 06641 311429Z

REQUIRED TO INVITE THEM TO ATTEND FIRST ASSEMBLY.

5. INVITATIONS TO FIRST ASSEMBLY:

A. SYG REPORTED HE PLANNED TO INVITE 59 MEMBERS OF WTO (THOSE STATES WHICH HAD DEPOSITED THEIR RATIFICATION BY NOV 1, ACCORDING TO SWISS GOVERNMENT) AND TO INVITE ALL STATES THAT HAD FORMALLY INDICATED THEIR INTENTION TO UTILIZE ARTICLE 42 FOR WTO MEMBERSHIP DURING FIRST YEAR OF ITS EXISTENCE; I.E.,

UNTIL OCTOBER 31, 1975.

B. SYG SAID HE ALSO INTENDED TO CIRCULARIZE ALL OTHER IUOTO MEMBERS-- THOSE THAT HAD NOT YET INDICATED IN WRITING THEIR WISH TO UTILIZE PROVISIONS OF ARTICLE 42-- TO ASK IF THEY WISHED TO AVAIL THEMSELVES OF ARTICLE'S PROVISIONS AND IF SO TO EXPRESS THEIR WISH IN WRITING, UTILIZING IUOTO-DRAFTED DECLARATION "B" WHICH STATES: " THE REPRESENTATIVE OF THE GOVERNMENT OF..., HAVING TAKEN COGNIZANCE OF THE RESOLUTION ADOPTED BY THE IUOTO EXTRAORDINARY GENERAL ASSEMBLY IN MEXICO CITY OF SEPTEMBER 27, 1970, AND OF THE REVISED STATUTES ANNEXED THERON, FORMALLY DECLARES (AD REFERENDUM OR SUBJECT TO RATIFICATION), THAT HE APPROVES THE STAUTES OF THE WORLD TOURISM ORGANIZATION AND ACCEPTS ON BEHALF OF HIS GOVERNMENT THE OBLIGATIONS OF MEMBERSHIP." AFTER RECEIPT OF SUCH REPLIES FORMAL INVITATIONS WILL BE SENT TO THESE STATES AS WELL. COMMENT. USG, THEREFORE, MUST SUBMIT FORMAL LETTER ALONG ABOVE LINES AS SOON AS POSSIBLE TO BE ON INITIAL ASSEMBLY INVITATION LIST.

C. SYG LONATI AGREED THAT HIS LETTER OF INVITATION WOULD INCLUDE FULL AGENDA OF FIRST ASSEMBLY WITH SEPARATE LISTINGS FOR FIRST AND SECOND SESSIONS CLEARLY INDICATED.

D. LONATI SAID THAT HIS LETTER WOULD ALSO SPECIFY MAXIMUM NUMBER OF DELEGATES EACH COUNTRY WOULD FIND PLACE FOR IN HALL, IN ORDER TO LIMIT DELS TO FACILITES WTO HAD BEEN ABLE TO ARRANGE.

6. NEGOTIATIONS FOR FIRST ASSEMBLY SITE:

A. LONATI INTENDS CONSULT SHORTLY WITH SWISS AUTHORITIES RE FINANCING, HOUSING FIRST ASSEMBLY IN ORDER FINALIZE PLANS BEFORE ISSUING INVITATIONS.

B. ON INVITATION OF GOM, LONATI WILL BE VISITING MEXICO CITY NON 4-6. HE GOES FULLY CONVINCED FROM UN, SWISS LEGAL ADVICE THAT IN ACCORDANCE WITH ARTICLES 2, 8.2 AND LIMITED OFFICIAL USE

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PAGE 04 GENEVA 06641 311429Z

40 OF WTO STATUTES THAT FIRST WTO ASSEMBLY MUST CONVENE IN GENEVA. HOWEVER, LONATI SOUNDED OUT MISSION OFFICER'S VIEWS RE POSSIBILITY OF HIS AGREEING TO HOLDING SECOND SESSION OF FIRST ASSEMBLY IN MEXICO CITY OF GOM OFFERS PAY ALL EXPENSES TO HOLD IT THERE. MISSION OFFICER SAID HE FELT WTO ARTICLES REFERRED TO ABOVE PRECLUDED ENTIRE FIRST ASSEMBLY FROM BEING HELD ANYWHERE BUT GENEVA.

C. COMMENT: MISSION OFFICER NOT CONVINCED LONATI HAS DROPPED THIS COMPROMISE SOLUTION TO PERSISTENT MEXICAN PRESSURE BECAUSE OF HIS NEED FOR FUNDS TO FINANCE FIRST WTO ASSEMBLY AND HIS FEAR SWISS MAY NOT FINANCE MORE THAN ONE WEEK, IF THAT, OF FIRST ASSEMBLY.

7. CONTINUING CONSULTATIONS: AT CONCLUSION OF INTERVIEW LONATI ASKED THAT MISSION OFFICER SEND HIM, AT HIS HOME ADDRESS,

ON BLANK (NO US MISSION HEADING) LETTER PAPER US
RECOMMENDATIONS RE AGENDA FOR FIRST ASSEMBLY. HE SAID HE MADE
THIS REQUEST TO AVOID APPEARANCES TO HIS STAFF THAT HE WAS
BEING LED BY NOSE BY US. LONATI INDICATED PLEASURE WITH
FORMULATION OF LUSAKA ASSESSMENT FORMULA AND NON-INCLUSION
OF TC FUNDS IN REGULAR BUDGET AS GUIDELINES TO AD HOC
COMMITTEE AS HE FELT THIS MIGHT BE BETTER WAY TO PRESENT
ISSUE TO FIRST SESSION OF ASSEMBLY.

8. CONSULTATION WITH 15 OTHER MISSIONS ON PROGRESS MADE IN
CONSULTATION WITH SYG RE WTO REFERRED TO IN REFTL WILL BE
CONVENED AT U.S. MISSION ON NOVEMBER 14. ABRAMS

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